



## DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS

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### **TREASURY ANNOUNCES OPENING OF THIRD ROUND OF COMPETITION FOR NEW MARKETS TAX CREDIT PROGRAM**

#### ***\$2 Billion in New Markets Tax Credits Available***

The U.S. Department of the Treasury announced today the opening of the third round of competition for the allocation of up to \$2 billion in tax credits under the New Markets Tax Credit (NMTC) Program.

“The NMTC Program supports the President’s agenda of promoting investments that will lead to economic growth and job creation,” said Treasury Secretary John W. Snow. “I have witnessed first hand the NMTC Program’s potential to stimulate private sector investment in many of our nation’s low-income communities. From a daycare center in Chicago to a commercial and cultural center in San Diego to a sustainable forestry timber mill in northern Maine, the NMTC Program is helping to foster economic growth and create needed jobs throughout the country.”

Created by Congress in December 2000, the NMTC Program permits individual and corporate taxpayers to receive a credit against Federal income taxes for making Qualified Equity Investments in investment vehicles known as Community Development Entities or CDEs. Substantially all of the investment must in turn be used by CDEs to make qualified investments in low-income communities. The credit provided to the taxpayer totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period.

Through the first two program rounds, the Treasury Department’s Community Development Financial Institutions (CDFI) Fund has made 129 NMTC awards, totaling \$6 billion in tax credit allocation authority. “The level of interest in this program has been overwhelming,” said CDFI Fund Director Arthur Garcia. “To date, we have received strong, widespread interest in the allocation authority the Fund is prepared to issue. Clearly, NMTCs are viewed as a critical tool for promoting economic development in low-income communities.”

Successful CDEs will be allocated NMTC awards after a competitive application and review process administered by the CDFI Fund. Guidance on the third round of the NMTC Program is currently available on the CDFI Fund's website at [www.cdfifund.gov](http://www.cdfifund.gov). The allocation application deadline is October 6, 2004.

The CDFI Fund is offering a free interactive video teleconference on Tuesday, August 24, 2004 at 1:00 p.m. EDT. The teleconference will be broadcast from Washington, D.C. and down-linked via satellite to over 80 locations nation-wide. To learn more about this training or to register, please visit the CDFI Fund's website.